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OXC-0740
Copy 3 of 10

21 July 1960

MEMORANDUM FOR : General Counsel
THROUGH : Acting Chief, Development Projects Division, DD/P *843*
SUBJECT : Possible Housing Allowance for Military Personnel
Assigned to Domestic Site of Project OXCART

1. In conformity with the general outlines of my conversation of 18 July with Mr. John S. Warner, Deputy General Counsel, the opinion of the General Counsel is requested in the following matter, which I shall endeavor to present in modified staff study form. As was the case in a somewhat similar case in 1956, the opinion of the Air Force JAG will doubtless govern your findings since our primary concern is with the status of military personnel in this instance. However, should the Air Force JAG agree to our proposal, approval from DD/S will be sought to apply the substance of its terms to CIA civilians in like situation.

2. PROBLEM:

a. Reasonable rental accommodations for families are extremely scarce in [REDACTED] the closest city to the OXCART domestic field installation where IPD will shortly be stationing military personnel. [REDACTED] is a resort city with attendant high housing costs, and a chronic shortage of homes and apartments. In addition, nearby [REDACTED] drains off most of the available accommodations suitable for lower income military personnel. That base is presently expanding, coincident with the introduction of newer and more complex aircraft resulting in greater numbers of support personnel than those who have already created the present shortage.

b. Security considerations make it impossible for us to consider accommodating families at the actual operating base, [REDACTED] Single military

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25X1A6a personnel with the technical specialties required are not available in sufficient numbers to permit resolution of the problem in this manner. Even when families are able to find housing in [REDACTED] the sponsor must perform his duties not in that area but at the operating base over 100 miles away.

c. The problem, therefore, is to explore possibilities of augmenting the housing allowance of the military personnel in a manner that will permit assignees to find adequate housing.

3. ASSUMPTIONS:

a. The highly sensitive nature of Project OXCART makes it desirable that those military personnel assigned serve a full PCS tour in order to cut down the circle of knowledgeable in the military. Thus, the Project needs cannot be met through the assignment of different individuals on TDY without families. Specialized skills of military personnel are another limiting factor in being able to select candidates without family responsibilities.

b. For the reasons touched upon in paragraph 2 a., the normal rate of availability of low rental housing during the assignment phase will be inadequate within the means of proposed assignees.

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4. FACTS BEARING ON THE PROBLEM:

a. Military housing at [REDACTED] or any other service installation in the state is not available for Project OXCART military assignees, nor if it were, would CIA detailees qualify for it.

b. Construction of additional military housing in the area, even if financed wholly by CIA funds, would be extremely costly, time-consuming, and probably could not be completed soon enough to meet deployment deadlines (influx begins in September - October 1960).

c. Construction of new housing of the type mentioned above would cause inquiry leading to evidence of a military personnel buildup in the area, which has definitely undesirable security connotations. In addition, such a program would

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lead to charges of favoritism as it would relate to military families with their sponsors serving at [REDACTED] in town.

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5. DISCUSSION:

Tentative plans have been made for construction of some [REDACTED]

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[REDACTED] and about eighty miles from the project site. The proposed construction would cost from [REDACTED] and, including land condemnation process, would take from six to eight months to complete. [REDACTED] is extremely isolated and the base has very limited facilities. Even though somewhat remote from [REDACTED] as noted before, a construction program of this magnitude would cause considerable curiosity and comment, especially since the base has no current operational mission adequate to support an increase in personnel of this sort. Completion of the housing, even if work could start tomorrow, would come too late to be of much help. Funds were not available for this construction prior to 1 July 1960, which is why the deadline could not be met. Amortization of the housing construction costs would be planned over a five-year period.

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6. PROPOSED AS AN ALTERNATIVE TO CONSTRUCTION:

a. A monthly dollar supplement to Air Force personnel sufficient to enable them to compete successfully in the open rental market in [REDACTED] would appear to serve the immediate purpose. In addition, such an allowance, perhaps on the order of \$90 - 100 per month, spread over the five-year amortization period would run, for the numbers of people involved, to somewhere in the neighborhood of [REDACTED] against the much larger figure for construction. This would be a worthwhile saving to the Government and would tend to serve the security and cover of the Project in a far better fashion.

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b. The allowance proposed would not be tied to a daily stipend, i.e., \$3/day, since this would doubtless make it assume the character of a per diem payment which is already a suspect disbursement for military personnel in PCS status. Technically, it might be possible to effect the disbursement of this amount to the lessor through a cutout arrangement, in order that the individual military individual would not handle the money, though this presents many questions of administration, security, and legality, not to mention dealing with a whole group of lessors in an unorthodox fashion.

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7. It may well turn out that our proposal is riddled with holes and that we will have to bow to the might of the regulations and simply hope that we can somehow ride out the storm. Yet we wanted to be able to state that we had currently explored every approach before advising assignees that they would either have to make their own way on the economy or wait for adequate housing to a later date. With this in mind, your early response is earnestly solicited.

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SIGNED

Assistant Chief, IFD-DD/P

Attachments

1. Newspaper Clipping
2. Air Force Memo re Housing

CC: DD/P, w/attache

Distribution:

- 1 - Addressee, w/attachs
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